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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5613-N-12]

Privacy Act; Notification of New Privacy Act System of Records, Pre-Purchase Homeownership Counseling Demonstration and Impact Evaluation Random Assignment and Service Tracking (RAST) System

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Establishment of a new Privacy Act System of Records.

SUMMARY: The Department of Housing and Urban Development (HUD) proposes to establish a new record system to add to its inventory of systems of records subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended. The proposed new system of record is the Pre-Purchase Homeownership Counseling Demonstration and Impact Evaluation Random Assignment and Service Tracking (RAST) System. This system will be used by HUD's Office of Policy Development and Research (PD&R) and its contractors to conduct a random assignment and impact evaluation study of the impact that different types of pre-purchase counseling have on mortgage preparedness, homeowner outcomes, and loan performance for prospective low-to-moderate income, first-time homebuyers. Refer to the "Purpose" section to obtain detailed information about the purpose of this study.

DATES: EFFECTIVE DATE: This action shall be effective without further notice on **[Insert 30-days after publication of this notice in the Federal Register]** unless comments are received that would result in a contrary determination.

COMMENTS DUE DATE: **[Insert 30 days after publication of this notice in the Federal Register.]**

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Rules Docket Clerk, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410. Communications should refer to the above docket number and title. A copy of each communication submitted will be available for public inspection and copying between 8:00 a.m. and 5:00 p.m. weekdays at the above address.

FOR FURTHER INFORMATION CONTACT: Donna Robinson-Staton, Chief Privacy Officer, Department of Housing and Urban Development, 451 Seventh Street, SW, (Attention: Capitol View Building, 4th Floor), Washington, DC 20410, Telephone Number (202) 402-8073. (This is not a toll-free number.) A telecommunication device for hearing-and speech-impaired individuals (TTY) is available at 1-800-877-8339 (Federal Information Relay Service).

SUPPLEMENTARY INFORMATION: Pursuant to the Privacy Act of 1974 (5 U.S.C.552a), as amended notice is given that HUD proposes to establish a new system of records as identified as Pre-Purchase Homeownership Counseling Demonstration and Impact Evaluation Random Assignment and Service Tracking (RAST) System. Title 5 U.S.C. 552a (e)(4) and (11) provide that the public be afforded a 30-day period in which to comment on the new system of records, and require published notice of the existence and character of the system of records. The new system report was submitted to the Office of Management and Budget (OMB), the Senate Committee on Governmental Affairs, and the House Committee on

Government Reform pursuant to paragraph 4c of Appendix 1 to OMB Circular No. A-130,
“Federal Agency Responsibilities for Maintaining Records About Individuals,” July 25, 1994; 59
FR 37914.

AUTHORITY: 5 U.S.C. 552a 88 Stat. 1896; 42 U.S.C. 3535(d).

December 11, 2012

Date

Jerry E. Williams
Chief Information Officer

[Docket No. FR-5613-N-12]

PDR/RRE.01

System name: Pre-Purchase Homeownership Counseling Demonstration and Impact Evaluation Random Assignment and Service Tracking (RAST) System.

System location: Pre-Purchase Homeownership Counseling Demonstration and Impact Evaluation data files are to be located at Abt Associates Inc., 55 Wheeler Street, Cambridge, MA 02138; Abt Associates Inc., 4550 Montgomery Avenue, Bethesda, MD, 20814; Abt Associates Inc., 275 Seventh Avenue, Suite 2700, New York, NY 10001; Sage Computing Inc., 11491 Sunset Hills Road, Suite 350, Reston, VA 20190; HUD Office of Policy Development and Research, 451 7th Street, SW, Rm. 8120, Washington, DC 20410; HUD Records Management Facility, 451 7th Street, SW, Rm. B229, Washington, DC 20410.

Categories of individuals covered by the system: Households enrolled in the Pre-Purchase Homeownership Counseling Demonstration and Impact Evaluation.

Categories of records in the system: The categories of records in the RAST system are as follows:

Study Participant Intake Data: Name; Social Security Number; study identifier; birth date; contact information (home address, telephone numbers, e-mail address); co-borrower(s) on home loan; demographic characteristics of the household (e.g., race/ethnicity, gender, marital status); number of children and other adults in the household; income sources and total family income; employment and earnings for the household; co-borrower name and contact information; veteran's status, educational level; first-time homebuyer status; early-stage borrower status; reliable access to transportation; language competency (English or Spanish); prior experience completing pre-purchase counseling or education; regular access to a computer and internet; the stage in the home purchase process and preparedness for home purchase (e.g., the extent of

respondents' home search prior to pre-qualification, intended down payment amount, expected timeline for home purchase); financial characteristics (e.g., income sources and total family income, financial literacy, non-housing savings/debts, budgeting activities, and employment and earnings, learning and planning preferences); participant's experience with the study's recruitment and enrollment process; random assignment of counseling services and whether or not study participants sought and received them; opinions on the pre-purchase counseling and education services study participants may have received; contact information for him or herself and the first and last name of a family members or friends.

Co-borrower(s) Intake Data: Name, Social Security Number

Lender Intake Data: Lender's Name; MSA/City/Branch; Data Transfer Date; Client's First Name; Client's Last Name; Address, City, State, Zip; Preferred Phone Number; Alternative Phone Number; Email; Date of Birth; Date customer gave consent for contact information to be sent to the study team; Date customer first contacted lender about home loan; Unique Customer Identifier; First-time homebuyer status; Presence of a co-borrower; Name and first-time homebuyer status of co-borrower(s);

Lender Origination and Loan Performance Data: Loan number; Date of closing; Purchase price; Monthly income; Back end ratio; Front end ratio; Down payment; Initial LTV; Mortgage type; Mortgage terms; Interest rate (initial and information on any fixed period or adjustment caps for ARMs); Closing costs and fees; Ever 30 days delinquent; Ever 90 days delinquent; Prepayment; Foreclosure; Bankruptcy; Updated mortgage balance; recruitment call outcomes and dispositions; recruitment call experiences;

HUD Administrative Data: Loan number; Date of closing; Purchase price; Monthly income; Back end ratio; Front end ratio; Down payment; Initial LTV; Mortgage type; Mortgage terms;

Interest rate (*initial and information on any fixed period or adjustment caps for ARMs*); Closing costs and fees; Ever 30 days delinquent; Ever 90 days delinquent; Prepayment; Foreclosure; Bankruptcy; Updated mortgage balance;

Pre-Purchase Counseling and Education Data: First contact date with counseling agency; date of first online pre-purchase education session, how many times a study participant signs into online education system to complete all pre-purchase modules; length of time spent completing each module; if pre-purchase online education module was started, but not completed; date completed online pre-purchase education modules; test scores of online pre-purchase modules; date(s) of group education session(s); length of time of session(s); how many participants in group education/workshop; how many household members attended; date of first telephone counseling session; length of time for telephone counseling session; date of in-person counseling session; length of time for in-person counseling session; topics covered during counseling session; counselor's name and position at agency; action steps before or during counseling session, recommendations to study participants; counseling and education outcomes; general information about housing counseling agency (mission, lead agency, budget, partnerships, target population); staff requirements, number of staff, training for staff; contacting study participants; type of pre-purchase education delivered; topics covered; type of pre-purchase counseling delivered; topics covered; collecting service tracking data; and experience participating in study.

Equifax Data: Risk scores (Vantage Score and Beacon 09/FICO); Total non-housing debt balance; Sum of balances for all open auto finance accounts on file with update within the last 3 months; Sum of balances for all open bankcard accounts on file with update within the last 3 months; Sum of balances for all open personal finance/student loan accounts on file with update within the last 3 months; Total monthly payment non-housing debt; Total monthly payment auto

debt; Total monthly payment credit card debt; Total monthly payment student loan debt; Individual's monthly housing expenses (for numerator of front-end-ratio); Individual's monthly debt payments (for numerator of back-end-ratio); Indicator for loan type (e.g. FHA, VA, conventional); Indicator for whether a home was purchased since enrollment; Date of home purchase/closing if home was purchased since enrollment; Total housing debt balance; Total monthly payment on housing debt; Housing debt from first mortgage; Monthly payment on housing debt from first mortgage; Housing debt from subordinate mortgage(s); Monthly payment on housing debt from subordinate mortgage(s); Total HELOC balance; HELOC balance on first mortgage; HELOC balance on subordinate mortgages; Total HELOC monthly payment HELOC monthly payment on first mortgage; HELOC monthly payment on subordinate mortgages; Indicator for whether a mortgage was refinanced; Indicator for presence of a subordinate mortgage; Ever 30 days past due on mortgage payment within the past 12 months; Ever 60 days past due on mortgage payment within the past 12 months; Ever 90 days past due on mortgage payment within the past 12 months; Ever 120 days past due on mortgage payment within the past 12 months; Number of first mortgage accounts on file with any of the following within the last 24 months: charge off, bankruptcy, internal collection (i.e. collection being handled by original creditor and not a third party); Number of home equity line accounts on file with any of the following ever: charge off, bankruptcy, internal collection (i.e. collection being handled by original creditor and not a third party); Experienced bankruptcy since enrollment; and Experienced foreclosure since enrollment.

Authority for maintenance of the system: Sec. 501, 502, Housing and Urban Development Act of 1970 (Pub.L. 91-609), 12 U.S.C. 1701z-1, 1701z-2. 12 U.S.C. § 1701z-2(g)

provides the authority to request social security numbers from individuals interested in participating in a research study.

Purpose: The Pre-purchase Homeownership Counseling Demonstration and Impact Evaluation will examine the impact that different types of pre-purchase counseling have on mortgage preparedness, homeowner outcomes, and loan performance for prospective low-to-moderate income, first-time homebuyers. Clients participating in the study will be asked to complete an eligibility assessment and baseline survey at the time they are enrolled in the study. Additionally, some study participants will be asked to participate in semi-structured follow-up interviews that seek to learn about participants' experiences with enrollment and interaction with participating counseling agencies. Participating counseling agencies' staff will be asked to participate in semi-structured interviews that seek to understand provision of counseling in each jurisdiction and provide the study team information on counseling and education services that study participants receive. Staff at lenders will be asked to participate in semi-structured interviews that seek to understand the recruitment process and provide the study team a weekly outcome report for recruitment calls through to the enrollment and intervention period to determine the impact of two different pre-purchase education and counseling interventions through a randomized experimental design. A computer program will be used to randomly assign program participants to one of the two interventions or the control group: 1) Home buyers will receive education and counseling in person at local agency; and 2) Home buyers will receive education and counseling over the internet and telephone; and 3) Control group homebuyers will not receive any counseling. The purpose of these data collection activities is to collect the information needed to evaluate the impact of pre-purchase housing counseling. Specifically, this evaluation will recruit 7,000 low-to-moderate income, first-time homebuyers who have pre-

qualified for a home purchase loan. Upon study enrollment, study participants will be randomly assigned to one of three research groups: two treatment groups (one for each intervention type) and a control group that will not receive any pre-purchase counseling services. The collection of data received from study participants, lenders, counseling agencies, and other entities is vital to understand where potential borrowers begin in the process, how they are affected by pre-purchase education and counseling, and if their behaviors have changed as a result of the evaluation. To collect and organize the data required to perform the analyses, the RAST System will serve as the central collection point for maintaining participant's data and generating the reports needed for analysis. Conducting this study will allow HUD to provide reliable counseling and better monitor the performance and services provided by HUD-approved and HUD-funded counseling agencies.

Routine uses of records maintained in the system, including categories of users and the purposes of such uses: In addition to those disclosures generally permitted under 5 U.S.C. 552a.

1. To authorized Abt SRBI researchers to collect the data from study participants to match these primary study data with other datasets for tracking (e.g., matching with change of address databases); to track and locate study participants throughout the study and to manage the data collection process; for statistical analysis and to develop findings for this research study to allow HUD and researchers to understand the impact of pre-purchase homeownership counseling on a range of outcomes for low-to-moderate and middle-income, first-time homebuyers; and link data from one phase of data collection to another or to match primary study data with other datasets for data collection purposes in order to ascertain the impact of pre-purchase counseling on homebuyer outcomes. The production of aggregate statistical data will be without any

personal identifiers, which will not be used to make decisions concerning the rights, benefits, or privileges of specific individuals under any HUD loan program.

2. To make public use of file in non-identifiable form for disclosure to authorized researchers for additional statistical analysis.
3. To Credit Bureaus to obtain credit report data on study participants.
4. To Local and National organizations (counseling agencies) to enroll study participants in different pre-purchase education and counseling intervention group.
5. To FHA Approved lenders to determine participant's enrollment after the study and to track information received from lenders participating in the study.

*Discretionary disclosures that may be applicable to this system of records notice are found on the Department Privacy website under Appendix 1.*¹

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Storage: Pre-Purchase Homeownership Counseling Demonstration and Impact Evaluation data files are to be located at Abt Associates Inc., 55 Wheeler Street, Cambridge, MA; Abt Associates Inc., 4550 Montgomery Avenue, Bethesda, MD; Abt SRBI Inc., 275 Seventh Avenue, Suite 2700, New York, NY 10001; Sage Computing Inc., 11491 Sunset Hills Road, Suite 350, Reston, VA 20190, HUD Records Management Facility, 451 7th St., SW, Rm. B229, Washington, DC 20410. Three years after satisfactory close of project, per the Records Disposition Schedule 67Federal Records Center 4205 Suitland Road, Suitland, MD 20746-8001. Back-up data is stored offsite at: Abt Associates Inc., 55 Wheeler St., Cambridge, MA 02138; Iron Mountain Storage: Bethesda: 8928 McGaw Court, Columbia, MD 21045;

¹ <http://portal.hud.gov/hudportal/documents/huddoc?id=append1.pdf>

Cambridge: 21 Terry Ave, Burlington, MA 01803; 75 Bearfoot Road, Northboro, MA 01532; 96 High Street, Billerica, MA 01821. All hard copy forms with personal identifying data (the participant agreement/informed consent form) will be stored securely in a locked cabinet that can only be accessed by authorized individuals working on the data. The locked cabinet will be stored in a locked office in a limited -access building. All electronic files: Data files used for analysis will be stored in a separate location from files with identifying information to minimize the risk that an unauthorized user could use the unique identification number to link de-identified files with the identifiers. Access rights to the data are granted to limited researchers on a need-to-know basis, and the level of access provided to each researcher is based on the minimal level required that individual to fulfill his research role.

Retrievability: Records within the random assignment data file will be retrieved by name, Social Security Number, study identification number, or date of birth.

Safeguards: Safeguards: Electronic files: All personal data will be encrypted and maintained on a secure workstation or server that is protected during the storage, retrieval, access, and disposal process that is firewall protected and a complex password in a directory that can only be accessed by the network administrators and the analysts actively working on the data. Access rights to the data are granted to limited researchers on a need-to-know basis, and the level of access provided to each researcher is based on the minimal level required that individual to fulfill his research role. All data users will be aware of and trained on their responsibilities to protect participants' personal information, including the limitations on uses and disclosures of data. Backup media will be encrypted. Data will never be stored on a laptop or on a movable media such as CDs, diskettes, or USB flash drives without encryption. Hardcopy files: All hard copy forms with personal identifying data (the participant agreement/informed

consent form) will be stored securely in a locked cabinet that can only be accessed by authorized individuals working on the data. The locked cabinet will be stored in a locked office in a limited-access building, (e.g. Study team interviewers will securely store any hard copy documents with personal protected information, such as tracking letters.)

Retention and Disposal Process: Records Disposition Schedule², 2225.6, REV-1, Appendix 67, Policy Development and Research Records, provides disposition instructions for Headquarters and Field Office records produced in connection with activities conducted under Title V of the Housing and Urban Development Act of 1970 (P.L. 91-609, 84 Stat. 1784; 12 U.S.C. 17D1z-1). Per the Records Disposition Schedule 67, project case files reflecting a complete history of each project from initiation through research, development, design, testing, and demonstration, records should retire to Federal Records Center 3 years after satisfactory close of project that volume warrants. Destroy 6 years after satisfactory close of project. (NARA Job NCI-207-78-6, item 5). In accordance with the Records Disposition Schedule, the Contractor will return all electronic and hard copy study records to PD&R under the retention period for records. Hard copy forms that are no longer needed for the study will be shredded. The data will not be used after the final acceptance of the report by HUD. Upon request of the agency, Abt Associates will permanently destroy all electronic personally-identifiable information on the system using the methods described by the NIST SP 800-88 “Guidelines for Media Sanitization” (September 2006). Encrypted versions of the data may remain on backup media for a longer period of time, but will be similarly permanently destroyed.

² <http://www.hud.gov/offices/adm/hudclips/handbooks/admh/2225.6/index.cfm>

System manager(s) and address: Carol Star, Director of the Program Evaluation Division, Office of Policy Development and Research, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410, Telephone Number (202) 402-6139.

Notification procedure: For information, assistance, or inquiry about the existence of records, contact the Chief Privacy Officer, Department of Housing and Urban Development, 451 Seventh Street SW (Attention: Capitol View Building, 4th Floor), Washington, DC 20721. Written requests must include the full name, Social Security Number, date of birth, current address, and telephone number of the individual making the request.

Contesting record procedures: Procedures for the amendment or correction of records and for applicants who want to appeal initial agency determination appear in 24 CFR part 16.

(i) In relation to contesting contents of records, the Chief Privacy Officer at HUD, 451 Seventh Street SW, (Attention: Capitol View Building, 4th Floor), Washington, DC 20410; and,

(ii) In relation to appeals of initial denials, HUD, Departmental Privacy Appeals Officer, Office of General Counsel, 451 Seventh Street, SW, Washington, DC 20410.

Record source categories: Original data collected directly from study participants, study participant lenders and counseling agencies, third party data (e.g. National Change of Address database, credit bureaus) and administrative data from HUD.

Exemptions from certain provisions of the Act: None.

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